Government of
Saskatchewan

2006-2007
Annual Report

Saskatchewan
Justice

Saskatchewan Financial
Services Commission

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This annual report is also available in electronic format on the Saskatchewan Financial Services Commission's web site at **www.sfsc.gov.sk.ca**

Letters of Transmittal

His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

As the Minister responsible for the Saskatchewan Financial Services Commission, I respectfully submit the Annual Report for the year ending March 31, 2007.

Frank Quennell, Q.C.
Minister of Justice and Attorney General

The Honourable Frank Quennell, Q.C.
Minister of Justice and Attorney General

Dear Sir:

I have the honour of submitting for your consideration the Annual Report of the Saskatchewan Financial Services Commission for the year ending March 31, 2007.

Dave Wild
Chairperson

Commissioners

Dave Wild
Chairperson

Mr. Wild was appointed the first Chair of the Financial Services Commission with its creation in 2003. He had been appointed Chair of the Saskatchewan Securities Commission in 2001. However, the duties of the Securities Commission have been assigned to the Financial Services Commission. Mr. Wild also currently serves as the Superintendent of Pensions. Having been first appointed in 1992, he is the longest serving pension regulator in Canada. He is currently Chair of the Canadian Association of Pension Supervisory Authorities. Mr. Wild is also active in the Joint Forum of Financial Market Regulators. He is the immediate past Chair of the Joint Forum and chairs Joint Forum committees with respect to consumer complaint resolution and point-of-sale disclosure regarding mutual funds and segregated funds.

Dale Hillmer
Commissioner

Mr. Hillmer was appointed to the Securities Commission in August 2001. He was appointed to the Financial Services Commission on February 1, 2003. He has extensive experience with the credit union sector in Saskatchewan, serving 12 years as the CEO of Sherwood Credit Union and 12 years as Vice-President - Finance with Credit Union Central of Saskatchewan. Mr. Hillmer has served as a trustee of the Co-operators Pension Fund, the Saskatchewan Wheat Pool Pension Plan, the Co-operative Superannuation Society and Ethical Mutual Funds. He has also served on the advisory board of Regina Economic Development Authority.

Art Wakabayashi
Vice-Chairperson

Mr. Wakabayashi was first appointed to the Securities Commission as Vice-Chair in June 1997. He was appointed to the Financial Services Commission on February 1, 2003. He held senior positions in the Government of Saskatchewan, including Deputy Minister of Finance. In the federal government, he was Assistant Deputy Minister (Policy), Solicitor General's Department, and Federal Economic Development Co-ordinator. He is Chancellor of the University of Regina until July 1, 2007, when his Commission colleague William F. Ready, Q.C., assumes the title and Mr. Wakabayashi becomes the Chancellor Emeritus. He is a member of the Order of Canada, and is also the Honourary Consul-General of Japan in Regina.

William F. Ready, Q.C.
Commissioner

Mr. Ready was appointed to the Securities Commission in August 2001. He was appointed to the Financial Services Commission on February 1, 2003. He is a distinguished Saskatchewan lawyer with an extensive background in securities law, and served for 27 years on the board of the RoyFund mutual fund group. In 1989, the University of Regina conferred upon him the degree of Doctor of Laws (honoris causa). He was the senior partner of McDougall Ready law firm at the time of his retirement from active practice. On July 1, 2007, he will become the seventh Chancellor of the University of Regina.

Frank Reidy
Commissioner

Mr. Reidy was appointed to the Financial Services Commission on February 1, 2003. He has served the insurance industry for 45 years and was made an Honourary Life Member of the Insurance Brokers' Association of Saskatchewan in 2002. He is the past Chair of the Insurance Brokers' Association of Saskatchewan. Mr. Reidy is the founding and current Chairman of the Board of Directors of Western Agriculture Insurance Corporation. Mr. Reidy served as the Vice-President of the Saskatchewan School Trustees Association. As well, he served as a Director of Canada Post Corporation. Mr. Reidy currently serves as a Director of the Providence Place Foundation.

Gwen Charman
Commissioner

Ms. Charman was appointed to the Financial Services Commission on February 1, 2003. Ms. Charman is a Chartered Accountant with experience in public practice, with the Department of Canadian Western Economic Diversification, and is currently the Director of Operations for the Meewasin Valley Authority in Saskatoon. She has been a long-term member of the Co-operative Securities Board, and has also served on the boards of Wanuskewin Heritage Park, Saskatchewan Archives, Saskatoon YWCA, Big Sisters of Saskatoon, Saskatoon Victorian Order of Nurses and Saskatoon Housing Authority.

Who We Are

The Saskatchewan Financial Services Commission (SFSC) is Saskatchewan's primary regulator of the financial services industry, including the credit union system, insurance, pensions, securities, and trust and loans. Regulatory responsibilities include: providing input into developing provincial legislation, regulations, policies and standards (the rules); interpreting and applying the rules; and, taking appropriate action to protect the rights and interests of consumers of financial services when the rules are broken.

Similar to other financial services regulators, the ongoing operations of the SFSC encompass a broad range of regulatory functions, including:

- **Licensing and Registration**
  Financial institutions, pension plans and financial intermediaries require approval to conduct business. The SFSC requires applicants to provide enough information to allow assessment of whether the applicant is suitable to conduct business in the chosen field.

- **Audit and Compliance**
  On an ongoing basis, the SFSC monitors those regulated to verify they have the capability and conduct themselves appropriately to meet their obligations to consumers. The SFSC also requires those regulated to provide appropriate information to consumers.

- **Market Conduct and Complaint Handling**
  The SFSC ensures there are effective processes in place to receive and investigate complaints. Complaints are reviewed and appropriate information is collected to determine whether there are violations of rules. Complaints may trigger enforcement activities.

- **Enforcement**
  The SFSC exercises its influence and its legislative powers to hold to account those who have violated the rules.

The SFSC's regulatory functions include both prudential and market conduct regulation. Prudential regulation addresses the financial soundness of those regulated, while market conduct regulation refers to supervising compliance related to consumer protection provisions, including disclosure, confidentiality, fair practices and prohibited methods of doing business.

In fulfilling its mandate, the SFSC relies upon the following self-regulatory organizations:

- Credit Union Deposit Guarantee Corporation
- General Insurance Council of Saskatchewan
- Hail Insurance Council of Saskatchewan
- Life Insurance Council of Saskatchewan
- Investment Dealers Association of Canada
- Mutual Fund Dealers Association of Canada

A number of federal and provincial initiatives are focused on co-ordinating and harmonizing financial services regulation. The SFSC works together with regulators from other jurisdictions through the following national organizations: the Joint Forum of Financial Market Regulators, the Canadian Association of Pension Supervisory Authorities, the Canadian Council of Insurance Regulators, and the Canadian Securities Administrators.

The SFSC is led by a seven-person commission established under *The Saskatchewan Financial Services Commission Act* (the Act). Section 9 of the Act provides the commission with a mandate to:

- co-ordinate financial services regulators;
- provide for the development of policies to protect the interests of consumers of financial services;
- provide for the development of policies to regulate financial services and any persons who, or associations or groups of persons that, provide financial services; and
- perform any responsibilities of a financial services regulator pursuant to any financial services legislation that are assigned to the commission by the regulations under the Act.

Pursuant to this last point, the responsibilities of the Saskatchewan Securities Commission have been assigned to the Saskatchewan Financial Services Commission.

Vision

SFSC's vision is to cultivate an environment in which everyone in Saskatchewan has confidence in and can enjoy the benefits from a vibrant financial marketplace.

Mission

SFSC strengthens Saskatchewan's financial marketplace and protects consumers by regulating providers of financial products and services in an effective, efficient and balanced manner.

Strategic Goals

SFSC's four strategic goals are briefly described as follows.

- **A fair and effective financial regulatory system for Saskatchewan**
  The SFSC ensures appropriate rules are in place to regulate the financial services sector. The SFSC is giving attention to requirements for new categories of entrants and new products, as well as to the changing conditions in existing market segments. By increasing harmonization with other Canadian jurisdictions, updating Saskatchewan's legislation and related rules, and working effectively with the self-regulatory organizations (SROs), the SFSC will maintain and enhance the quality of its regulation.

- **Confidence in the SFSC and the Saskatchewan financial marketplace**
  The financial services industry depends on public and industry confidence. The SFSC recognizes that while most financial services providers follow the rules, the actions of those few who breach the rules can have a significant negative impact on confidence levels. The SFSC is increasing its emphasis on timely compliance and enforcement actions to deter wrong-doing, detect incidences of wrong-doing and reduce the harmful impact on consumers. At the same time, the SFSC will take steps to increase availability of tools and information that will help consumers protect themselves and make better decisions about their financial transactions.

- **Regulatory consistency between sectors and for like products and services**
  The SFSC is building increased cross-sectoral understanding and co-operation through participation in national initiatives and through the SFSC's integrated organizational structure and governance. The SFSC will work with the SROs to look for opportunities for enhanced consistency.

- **Effective results with limited resources**
  As a government agency, the SFSC is accountable to the public for the resources it uses. The SFSC is committed to continuous improvement of its operational efficiency.

Our 2006-07 Annual Report

Financial Institutions Division

The Financial Institutions Division (FID) regulates and supervises Saskatchewan trust, loan and finance companies, insurance companies, loan and mortgage brokers and the credit union system. FID protects the public interest and enhances public confidence by encouraging sound and ethical business practices for insurers and financial institutions duly authorized to operate in Saskatchewan. FID also oversees regulatory agencies that have been delegated authority.

2006-07 Core Activities and Strategic Action Items

- Respond to consumer inquiries and complaints.
- Protect consumers by licensing, auditing and examining regulated financial services businesses.
- Oversee, monitor and support the operation of existing industry regulatory bodies.
- Continue to participate with businesses, other provincial and federal regulators, and self-regulatory organizations in legislative harmonization initiatives.
- Continue to develop and consult on mortgage broker legislation and regulations for government's consideration.
- Continue to participate in the Canadian Council of Insurance Regulators (CCIR) and the Joint Forum of Financial Market Regulators (Joint Forum), particularly regarding: relationships between insurers and sales intermediaries; intermediary licensing; risk-based market conduct; and developing a new approach to point-of-sale disclosure documents for mutual funds and individual variable insurance contracts.
- Continue to monitor the progress of litigation and the activities of provincial ministerial initiatives regarding the alternative consumer credit market.
- Participate in the development of payday loan regulation.
- Continue holding ongoing meetings with the hail insurance industry regarding complaint handling processes and appointment of umpires.

Initiatives to develop and make recommendations for amending *The Saskatchewan Insurance Act*, with respect to market conduct provisions, investment rules, assessing the current approach to regulating persons selling insurance products incidental to their major lines of business and examining options for the regulation of self-funded plans, have been deferred for future consideration.

An initiative to review the Order of the Superintendent of Insurance, which delegates certain functions to the General, Life and Hail Insurance Councils, has been deferred to 2007-08.

2006-07 Activities and Results

- Informed consumers and financial services businesses regarding marketplace rights and responsibilities by responding to 2,640 inquiries.
- Assisted consumers in resolving disputes with financial services businesses by responding to 201 complaints.
- Protected consumers by licensing, auditing and examining regulated financial services businesses:
  - issued 63 new licenses with respect to three Acts for a total of 525 licenses in force; and
  - conducted 23 audits, inspections, or reviews with respect to three Acts.
- Reviewed and approved bylaws and heard appeals from the Saskatchewan Insurance Councils and the Saskatchewan Real Estate Commission.
- Participated with businesses, other provincial and federal regulators and self-regulatory organizations in legislative harmonization initiatives.

- Consulted with industry regarding mortgage broker legislation.
- Continued participation in CCIR and the Joint Forum, particularly regarding: relationships between insurers and sales intermediaries; intermediary licensing; risk-based market conduct; and developing a new approach to point-of-sale disclosure documents for mutual funds and individual variable insurance contracts.
- Monitored the progress of litigation and the activities of provincial ministerial initiatives regarding the alternative consumer credit market.
- Participated in the development of payday loan legislation.
- Conducted ongoing meetings with the hail insurance industry on complaint handling processes, and appointment of umpires.
- Participated in the development of a national complaint reporting system for insurance.

2007-08 Core Activities and Strategic Action Items

- Respond to consumer inquiries and complaints.
- Protect consumers by licensing, auditing and examining regulated financial services businesses.
- Oversee, monitor and support the operation of existing industry regulatory bodies.
- Continue to participate with businesses, other provincial and federal regulators and self-regulatory organizations in legislative harmonization initiatives.
- Implement *The Payday Loans Act.*
- Develop and consult on mortgage broker regulations for government's consideration.
- Continue to participate in CCIR and the Joint Forum, particularly regarding: relationships between insurers and sales intermediaries; intermediary licensing; risk-based market conduct; developing a new approach to point-of-sale disclosure documents for mutual funds and individual variable insurance contracts; and group life and accident and sickness insurance.
- Continue holding ongoing meetings with the hail insurance industry regarding complaint handling processes and appointment of umpires.
- Review the Order of the Superintendent of Insurance which delegates certain functions to the General, Life and Hail Insurance Councils.
- Develop and implement recommendations for amendments to *The Saskatchewan Insurance Regulations* regarding investment eligibility.
- Create a legal and policy branch for FID.
- Continue to participate in the development of a national complaint reporting system for insurance.

Pensions Division

The legislation administered by the Pensions Division protects employees' pensions. Standards are established with respect to the structure and administration of pension plans, as well as to the investment and ongoing funding of plans.

The Pension Benefits Act, 1992 regulates employer-sponsored pension plans with Saskatchewan workers as members. The Act does not apply to certain plans established for employees of the Governments of Saskatchewan and Canada, nor does it apply to plans associated with undertakings regulated by the federal government (e.g., plans for employees of companies involved in banking, transportation, broadcasting, grain handling).

The Pensions Division identifies and manages risks and problems to bolster public confidence in the pension system while allowing the market to develop to meet the retirement needs of Saskatchewan workers and employers.

2006-07 Core Activities and Strategic Action Items

- Protect pension plan members from undue loss by ensuring plans are funded in accordance with legislation, plan benefits comply with the legislated minimum standards, and plans are administered in compliance with the legislation and plan documents.
- Review 50 to 60 actuarial valuation reports, 385 annual information returns, 25 new plans, 20 plan terminations and 150 to 200 plan amendments.
- Conduct one on-site Administrative Pension Examination.
- Assess the governance practices of 25 to 30 selected plans.
- Ensure all pension plans are amended to reflect changes to *The Pension Benefits Act, 1992* and *The Pension Benefits Regulations, 1993.*
- Continue to participate in the Canadian Association of Pension Supervisory Authorities (CAPSA) and Joint Forum of Financial Market Regulators (Joint Forum) initiatives. The agenda includes ongoing harmonization initiatives in the following areas:
  - work with stakeholder task forces on further development of the non-contentious model pension law principles;
  - develop model regulations in support of the non-contentious model pension law principles; and
  - identify a process for resolving contentious model pension law issues.

2006-07 Activities and Results

- Reviewed 66 actuarial valuation reports. An actuarial valuation measures the financial position of a defined benefit plan and recommends prospective contribution rates. Defined benefit plan assets of $8.79 billion exceeded their liabilities of $8.63 billion, meaning the system, as a whole, had a surplus of about $161 million. One hundred and thirty-eight of 197 defined benefit plans had an unfunded liability. Total unfunded liabilities of plans have declined from $295 million to $272 million, while total surplus assets of plans have declined from $476 million to $434 million. The decline in the funding position of defined benefit plans is a result of investment losses experienced in 2001 and 2002 and the decline in long-term bond rates used to calculate plan liabilities. Eleven plans accounted for 90 per cent of the $272 million in unfunded liabilities. The Division monitored those plans closely.
- Conducted one on-site Administrative Pension Examination (APE). The APE program focuses on six key areas: membership, disclosure, contributions, asset administration, benefit calculations and plan management.
- Collected governance data on 16 pension plans based on the Self-Assessment Questionnaire developed by CAPSA. The Division continued its efforts to collect governance data from 10 other pension plans to more fully develop its risk assessment of plan governance.
- *The Pension Benefits Amendment Act, 2004* was proclaimed into law in 2005-06. About 250 plans were amended in 2006-07 to comply with these new provisions. The Division followed up with the administrators of 29 plans that have not yet been amended to comply with the new provisions.
- *The Pension Benefits Amendment Regulations, 2006* became effective in May 2006. These new regulations permit defined contribution plans to pay a variable benefit to plan members upon retirement. Revised bulletins to explain the variable benefit option to plan administrators, members and the pension industry.

- Developed a new Operational Records Schedule for the management, retention and disposal of the Division's operational records which was approved by the Public Records Committee.
- Participated in a CAPSA project to finalize non-contentious model pension law principles and the associated model regulations.

2007-08 Core Activities and Strategic Action Items

- Protect pension plan members from undue loss by ensuring plans are funded in accordance with legislation, plan benefits comply with the legislated minimum standards, and plans are administered in compliance with the legislation and plan documents.
- Review 50 to 60 actuarial valuation reports, 400 annual information returns, 30 new plans, 20 plan terminations and 150 to 200 plan amendments.
- Conduct visits to six plan administrators who have not filed a completed CAPSA Self-Assessment Questionnaire relating to the governance of their pension plans.
- Conduct three on-site Administrative Pension Examinations.
- Assess and test the governance practices of the administrators of selected plans who have completed and filed the CAPSA Self-Assessment Questionnaire.
- Participate in CAPSA and Joint Forum projects related to consumer complaint resolution, point-of-sale disclosure of mutual funds and segregated funds, development of new reciprocal agreement among pension authorities, and development of model law principles for category two issues (i.e., non-contentious, but needing further policy development).

Fiscal Year	New Plans Registered	Plan Terminations Reviewed	Annual Information Returns Reviewed	Plan Amendments Registered
2002-03	11	18	399	226
2003-04	22	19	366	151
2004-05	22	14	379	123
2005-06	35	22	366	250
2006-07	41	14	402	354

Securities Division

The Securities Division protects investors by regulating the sale of securities, without undue restriction, to ensure that:

- those who sell securities to investors are honest and competent;
- investors are provided with selling documents that contain truthful, complete and understandable information on which to base their investment decisions;
- buyers and sellers have equal access to information about companies whose shares trade in secondary markets; and
- those who take undue advantage of investors are held to account.

2006-07 Core Activities and Strategic Action Items

- Continue to carry out core functions in: registration, prospectus and offering memorandum review, continuous disclosure review, discretionary exemption applications and enforcement.
- Continue to meet established turnaround times in registration, exemption applications and prospectus review.
- Carry out compliance review of five Saskatchewan-based advisers.
- Review continuous disclosure material filed by eight Saskatchewan-based public companies.
- Continue to oversee the Investment Dealers Association (IDA) and Mutual Fund Dealers Association (MFDA).
- Develop amendments to *The Securities Act, 1988* to harmonize national securities laws and enhance the Commission's enforcement powers.
- Develop amendments to *The Securities Regulations* to reflect amendments to *The Securities Act, 1988* and adoption of national securities laws.
- Amend and repeal local policies, instruments, notices and general exemption orders to reflect the adoption of harmonized national securities laws.
- Implement Local Instrument 32-501 *Deposit Agents.*
- Finalize delegation of registration of IDA firms and individuals to the IDA.
- Continue to participate on the Passport Steering Committee.
- Continue to contribute to the development of national securities laws by participating in projects of the Canadian Securities Administrators (the CSA), including:
  - develop National Instrument 31-103 *Registration Requirements* to harmonize all local and national requirements relating to registration;
  - develop National Instrument 41-101 *Prospectus Requirements* to harmonize all local and national requirements related to prospectuses;
  - develop National Instrument 55-101 *Insider Trading* to harmonize insider reporting requirements and exemptions;
  - develop National Instrument 62-104 *Take-over and Issuer Bids* to harmonize requirements relating to take-over and issuer bids;
  - develop a national instrument to regulate principal protected notes;
  - reformulate National Policy 48 *Future-Oriented Financial Information* into a national instrument;
  - amend National Policy 41-201 *Income Trusts and Other Indirect Offerings* to address several issues including distributable cash and return of capital;

- amend National Instrument 45-106 *Prospectus and Registration Exemptions* to address local carve outs and incorporate existing local exemptions; and

- amend National Instrument 51-102 *Continuous Disclosure Requirements* to make corrections and address applications and inquiries.

- Continue to participate on CSA Standing Committees that co-ordinate securities regulation in Canada.

2006-07 Activities and Results

Core Activities

- Continued to carry out core functions in: registration, prospectus and offering memorandum review, continuous disclosure review, discretionary exemption applications and enforcement.

- Continued to meet established turnaround times:

  - for registration application, 95 per cent of the time;

  - for exemption applications, 95 per cent of the time; and

  - for prospectus review, 100 per cent of the time.

- Carried out compliance reviews of three Saskatchewan-based advisers and five deposit agents.

- Reviewed continuous disclosure material filed by nine Saskatchewan-based public companies.

- With the Alberta Securities Commission, conducted an oversight review of the Calgary office of the IDA.

Local Policy and Legislation

- Developed amendments to *The Securities Act, 1988* to:

  - harmonize Saskatchewan securities laws with those of other jurisdictions;

  - refine provisions that permit the Commission to participate in a "one decision" system of securities regulation;

  - create a regime for civil liability for disclosure by reporting issuers in the secondary market;

  - introduce a new provision that permits the Commission to make an order that a person or company it has found to have contravened Saskatchewan securities laws to pay investors the amounts they have lost as a result of the contravention, up to $100,000;

  - enhance enforcement and compliance powers; and

  - discontinue the registration of mineral lease brokers.

- Developed a plan to amend and repeal local policies, instruments, notices and general exemption orders to reflect proposed amendments to *The Securities Act, 1988* and the adoption of harmonized national securities laws.

- Engaged a consultant and reviewed issues related to insurance available to deposit agents to meet the requirements in Local Instrument 32-501 *Deposit Agents*. Implementation of Local Instrument 32-501 was delayed.

- Prepared documents to finalize delegation of registration of IDA firms and individuals to the IDA. Delegation delayed pending outcome of review of the IDA's Calgary office.

- Issued Saskatchewan Policy Statement 51-601 *Reporting Issuers in Default.*

- Issued Local Staff Notice 13-703 *Access to Records under The Securities Act, 1988.*

- Issued the following Investor Watches to alert investors about:

  - principal protected notes;

  - "spam" e-mails that promote hot stocks: a risky proposition;

  - advertisements promoting investment opportunities; and

  - investment seminars.

National Policy and Securities Laws

- Provided analysis and support to Justice officials who participated on the Passport Steering Committee.

- Continued to contribute to the development of national securities laws by participating in projects of the CSA, including:

  - National Instrument 31-103 *Registration Requirements* that harmonizes all local and national requirements relating to registration. Published for comment February 20, 2007.

  - National Instrument 41-101 *Prospectus Requirements* that harmonizes all local and national requirements related to prospectuses. Published for comment December 21, 2006.

  - National Instrument 55-101 *Insider Trading* to harmonize insider reporting requirements and exemptions. Interim amendments published for comment October 27, 2006.

  - National Instrument 62-104 *Take-over and Issuer Bids* to harmonize requirements relating to take-over and issuer bids. Published for comment May 1, 2006.

  - Studied issues relating to principal protected notes, and options for regulation.

  - National Policy 48 *Future-Oriented Financial Information* was repealed, and update provisions incorporated into National Instrument 51-102 *Continuous Disclosure Requirements*. Published for comment December 1, 2006.

  - National Policy 41-201 *Income Trusts and Other Indirect Offerings* amended to address several issues including distributable cash and return of capital. Published January 5, 2007.

  - National Instrument 45-106 *Prospectus and Registration Exemptions* amended to address local carve outs and incorporate existing local exemptions. Publication delayed.

  - National Instrument 51-102 *Continuous Disclosure Requirements* amended to make corrections and address applications and inquiries. Published for comment December 1, 2007.

  - National Instrument 11-102 *Passport System* was published for comment on March 28, 2007.

  - The repeal and replacement of National Instrument 51-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* was published for comment March 30, 2007.

- Continued to participate on CSA Standing Committees that co-ordinate securities regulation in Canada.

2007-08 Core Activities and Strategic Action Items

Core Activities

- Continue to carry out core functions in: registration, prospectus and offering memorandum review, continuous disclosure review, discretionary exemption applications and enforcement.

- Continue to meet established turnaround times in registration, exemption applications and prospectus review.

- Carry out compliance reviews of five Saskatchewan-based advisers and 15 deposit agents.

- Review continuous disclosure material filed by nine Saskatchewan-based public companies.

- Continue to oversee the IDA and MFDA.

Local Policy and Legislation

- Implement *The Securities Amendment Act, 2007*, including:
  - targeted amendments to harmonize securities law nationally;
  - civil liability for secondary market disclosure;
  - financial compensation provisions;
  - reciprocal enforcement order provisions; and
  - discontinuing registration of mineral lease brokers.
- Develop amendments to *The Securities Regulations* to reflect amendments to *The Securities Act, 1988* and adoption of national securities laws.
- Execute plan to amend and repeal local policies, instruments, notices and general exemption orders to reflect the adoption of *The Securities Amendment Act, 2007* and new national instruments.
- Prepare amendments to *The Securities Act, 1988* to enable adoption of National Instrument 31-103 *Registration Requirements*.
- Finalize policy issues on regulation of deposit agents in Saskatchewan related to Local Instrument 32-501 *Deposit Agents*.
- Finalize delegation of registration of IDA firms and individuals to the IDA.

Enforcement

- Implement a new strategy and approach to stop illegal distributions more quickly and hold wrongdoers to account.
- Work with Saskatchewan Justice to find ways of achieving more efficient, effective and timely prosecutions for offences under the Act.
- Set up information-sharing processes with the RCMP and other police services in Saskatchewan. Consider other ways of working together in a more integrated manner on enforcement issues.

National Policy and Securities Laws

- Contribute to the development of national securities laws by participating in projects of the CSA, including:
  - finalize and implement National Instrument 11-102 *Passport System* to adopt a "one decision" system of securities regulation for prospectuses, registration and discretionary exemptions;
  - finalize and implement National Instrument 31-103 *Registration Requirements* to harmonize all local and national requirements relating to registration;
  - finalize and implement National Instrument 41-101 *Prospectus Requirements* to harmonize all local and national requirements related to prospectuses;
  - develop National Instrument 55-101 *Insider Trading* to harmonize insider reporting requirements and exemptions;
  - finalize and implement National Instrument 62-104 *Take-over and Issuer Bids* to harmonize requirements relating to take-over and issuer bids; and
  - develop a national instrument to regulate principal protected notes.
- Participate on CSA Standing Committees that co-ordinate securities regulation in Canada.

	2006-07	2005-06	2004-05	2003-04	2002-03
Registration of companies					
New applications	n/a	n/a	23	37	48
Terminations	n/a	n/a	12	19	20
Registered at year end	358	300	303	295	277
Registration of individuals					
New applications	n/a	n/a	1,644	2,577	3,237
Terminations	n/a	n/a	1,462	1,635	3,003
Registered at year end	9,472	8,750	8,640	8,414	7,011
Review and issue receipts for selling documents of Saskatchewan issuers	7	9	7	10	8
Issue receipts for selling documents of non-Saskatchewan issuers reviewed in other jurisdictions	870	818	737	715	537
Receive continuous disclosure documents for issuers					
Annual financial statements	5,087	4,132	4,425	4,061	3,688
Interim financial statements	6,837	6,990	6,697	6,219	5,793
Proxy/information circulars	3,516	3,431	3,068	2,395	41
Material change reports	4,322	4,007	4,489	4,353	24
Annual information forms	1,448	1,259	1,561	1,046	827
Management Discussion and Analysis					
Annual	1,422	1,441	1,684	1,103	
Interim	4,040	4,150	3,480	0	
Annual Management Report of Fund Performance	3,692	1,107			
Certification of annual filings	1,455	1,400	3,277	0	
Certification of interim filings	4,026	3,898	803	0	
Deal with applications for exemption					
Applications granted	599	612	607	578	613
Applications withdrawn	141	90	91	121	150
Applications denied	0	n/a	0	0	0
Investigate complaints and take enforcement action					
Files opened	143	118	38	132	174
Files closed	144	149	85	130	243
Obtained agreements and undertaking	4	2	4	2	0
Conducted examinations under oath	0	21	27	24	12
Held hearings	1	2	1	0	1
Issued investigation orders	2	7	14	10	9
Issued temporary cease trade orders	6	3	5	7	8
Issued extending/permanent cease trade orders	6	4	5	7	8
Issued orders removing exemptions	0	0	5	7	8

Legislation

General

The Saskatchewan Financial Services Commission Act

The Saskatchewan Financial Services Commission Assignment Regulations

Financial Institutions

The Cost of Credit Disclosure Act, 2002

The Credit Union Act, 1998

The Credit Union Regulations, 1999

The Credit Union Insurance Business Regulations

The Credit Union Act, 1985

The Credit Union Regulations

The Mortgage Brokers Act

The Mortgage Brokers Regulations

The Real Estate Act

The Real Estate Regulations

The Saskatchewan Insurance Act

The Saskatchewan Insurance Councils Regulations

The Saskatchewan Insurance Compensation Plan Regulations, 1990

The Saskatchewan Insurance Regulations, 2003

The Trust and Loan Corporations Act, 1997

The Trust and Loan Corporations Regulations, 1999

Pensions

The Pensions Benefits Act, 1992

The Pension Benefits Regulations, 1993

Securities

The Securities Act, 1988

The Securities Regulations

The Securities Commission (Regulation Procedures) Regulations

The Securities Commission (Disclosure of Personal Information) Regulations

Where to Obtain Additional Information

This report provides information about both our accomplishments and our future plans. If you have any questions or comments, or would like additional copies of the report, we invite you to call (306) 787-5645.

Or contact:

Saskatchewan Financial Services Commission
Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

Or visit our web site:

www.sfsc.gov.sk.ca